

AN ACT TO PROVIDE AFFORDABLE HOUSING  
USING TAX INCREMENT FINANCING

**BE IT ENACTED** by the People of the State of Maine that:

30-A M.R.S.A. §5251(2) is hereby amended by adding a new subsection to read as follows and redesignating existing subsection C as subsection D:

(2) Authorization

(C) To provide affordable rental housing:

(D) To provide the facilities outlined in the development program adopted by the legislative body of the municipality.

30-A M.R.S.A. §5252(8)(B) is hereby amended by adding a new paragraph (13) to read:

(13) Affordable housing costs including but not limited to costs for designing, financing, obtaining state and local approvals, permits and certificates, constructing, marketing, maintaining, and operating affordable housing projects. “Affordable housing” as used in this paragraph means affordable housing as defined in 30-A M.R.S.A. §4301, Sub 1 or as agreed to by the developer, the municipality, and the Maine State Housing Authority.

Statement of Purpose

This bill amends existing law to make it clear that the creation of affordable housing is a recognized purpose of the municipal development district law and can be funded using tax increment financing.

*Prepared by the Maine State Housing Authority*

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**Issue:** MSHA recommends including a minimum affordability level of 20%.

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**Affordable Housing** 30-A MRSA §4301, Sub 1 reads:

**1. Affordable housing.** “Affordable housing” means a decent, safe, and sanitary dwelling, apartment or other living accommodation for a household whose income does not exceed 80% of the median income for the area as defined by the United States Department of Housing and Urban Development under the United States Housing Act of 1937, Public Law 412, 50 Stat. 888, Section 8, as amended.